



Maryland Wineries and Vineyards Online Tax Credit Application Instructions for TY 2019

Below are instructions for filling out the Maryland Wineries and Vineyards Online Tax Credit Application. **ONLY APPLICATIONS received electronically BY SEPTEMBER 15, 2020 WILL BE ACCEPTED.**

The instructions are guidelines. You may download the Maryland Wineries and Vineyards Tax Credit statute from the Maryland Department of Commerce's (COMMERCE) website at:
<https://commerce.maryland.gov/fund/programs-for-businesses/wineries-and-vineyards-tax-credit>

Section I: Applicant Information

- 1) Provide the full legal name of the business entity, as it should appear on the certificate. If Maryland law requires the business entity to register with the State Department of Assessments and Taxation (SDAT), this name must be registered as a business entity in good standing. You may check the status of your business entity at:
<https://egov.maryland.gov/businessexpress/entitysearch> .
- 2) Provide the full address of the business entity. This is the address the certificate will be mailed to unless otherwise noted on the application.
- 3) Provide the Federal Employer ID Number (FEIN) and Unemployment Insurance (UI) Number, if applicable.
- 4) Provide the beginning and end date of the Tax Year for which the applicant is applying for credits. If you are a **Fiscal Year taxpayer**, you should be applying for Wineries and Vineyards capital expenses incurred in the tax year that ends in calendar year 2019.
- 5) Provide contact person's name, title, phone number and email address.
- 6) Provide the address of the Maryland facility where the Maryland qualified Wineries and Vineyards capital expenses are incurred. If you have multiple Maryland facilities conducting Maryland qualified wineries and/or vineyards activities, please provide the addresses of all facilities.
- 7) Indicate the type of business, winery, vineyard, or both, by checking the box. If the business is a winery, provide a copy of the Winery license issued by the Comptroller of Maryland.
- 8) Provide the total number of Maryland employees.
- 9) Attach proof of Good Standing from the Maryland SDAT (Corporations and LLC's only), if Maryland law requires the business entity to register with SDAT. This proof does NOT have to be an official Certificate of Good Standing, but may be a print-out of status from SDAT's website:
<https://egov.maryland.gov/businessexpress/entitysearch>.

Section II: Report of Expenses and Supporting Documents

Provide eligible wineries and vineyards capital expenses information. All supporting documents must be uploaded in order for the application to be processed. **Failure to provide the Report of Expenses and supporting documents may result in the denial of your application.**

- (a) Provide the date of the invoice or receipt.
- (b) Provide the name of the vendor/contractor
- (c) Provide the date payment was made.
- (d) Provide descriptions of all eligible items that appear on the invoice or receipt. All invoices or receipts must be clearly itemized.
- (e) Provide the category that corresponds to each item description.

The Category field will pre-fill when you select the item(s) listed in the dropdown box

Categories of “Eligible” Equipment and Materials

- | | | |
|---|------------------------|----------------------------------|
| • Barrels | • Filters | • Pumps |
| • Bins | • Fruit harvesters | • Refractometers |
| • Bottling equipment | • Fruit plants | • Refrigeration equipment |
| • Canopy management machines | • Hoses | • Seeders |
| • Capsuling equipment | • Irrigation equipment | • Soil |
| • Chemicals (vineyard only) | • Labeling equipment | • Small tools |
| • Corkers | • Lugs | • Tanks |
| • Crushers | • Mowers* | • Tractors* |
| • Destemmers | • Poles | • Vats |
| • Fermenters or other recognized fermentation devices | • Posts | • Weeding and spraying equipment |
| • Fertilizer and soil amendments | • Presses | • Wine tanks |
| | • Pruning equipment | • Wire |
| | | • Forklift* |

Ineligible expenses

- | | |
|----------------------|--|
| • Utilities | • Rented equipment and materials |
| • Labor costs | • Cost of goods sold |
| • Service costs | • Membership and subscription fees |
| • Repair costs | • Marketing and promotional expenses |
| • Maintenance costs | • Expenses not related to wine production or a plantation of grapevines for winemaking |
| • Construction costs | • Wine making additives and chemicals, i.e. fermentation nutrient, stabilizer, fining agent etc. |
| • General supplies | |
| • Office supplies | |

- (f) Provide the total cost of each category, excluding all ineligible expenses.
- (g) If leased, please “check the box”. If the machinery and equipment is leased, the lease agreement must be 3 years or longer.
- (h) Provide supporting documentation, such as 1) a copy of the invoice/ receipt and 2) cancelled check/bank statement, for categories where the cost **exceeds \$500 and/or the item is leased**. The invoice or receipt must clearly state the date of purchase, the name of the store or company where the purchase was made, and must be itemized. Invoices also must clearly differentiate eligible expense from ineligible expense. Both front and back side of the canceled check must be uploaded, or please highlight the date and amount of the payment if you provide bank statement (redacted bank statements are acceptable).
- (i) Please upload a Winery License (Class 3 or Class 4) from the Comptroller of Maryland if the business is a winery.

Section III: The Capital Expenses Information

- 1) Calculate claimed winery capital expenses for 2019.
- 2) Calculate claimed vineyard capital expenses for 2019.
- 3) Calculate the total amount of claimed wineries and vineyards capital expenses for 2019.
- 4) Calculate the credit by multiplying the total amount of claimed wineries and vineyards capital expenses by 0.25.

Please contact Cindy Zeng at 410-767-6351 / cindy.zeng@maryland.gov or Lani M. Sinfield at 410-767-4041 / lani.sinfield1@maryland.gov with any questions.